

**AMENDMENT OFFERED BY MR. STEARNS**  
**TO THE MEDICARE RECONCILIATION PROVISIONS**

At the end, add the following new subtitle:

1       **Subtitle J—National Fund for**  
2                   **Health Research**

3   **SEC. 4901. ESTABLISHMENT OF FUND.**

4       (a) ESTABLISHMENT.—There is established in the  
5 Treasury of the United States a fund, to be known as the  
6 “National Fund for Health Research” (hereafter in this  
7 section referred to as the “Fund”), consisting of such  
8 amounts as are transferred to the Fund under subsection  
9 (b) and any interest earned on investment of amounts in  
10 the Fund.

11       (b) TRANSFERS TO FUND.—

12           (1) IN GENERAL.—Subject to subsection  
13 (c)(4)(B), there shall be transferred from each of  
14 the Federal Hospital Insurance Trust Fund and the  
15 Federal Supplementary Medical Insurance Trust  
16 Fund under title XVIII of the Social Security Act in  
17 each year beginning with fiscal year 1998 an  
18 amount, estimated by the Secretary of Health and  
19 Human Services, in consultation with the Secretary  
20 of the Treasury and the Director of the Congres-  
21 sional Budget Office, equivalent to 1 percent of the  
22 amount of the reductions in expenditures from the

1        respective Trust funds affected by the Balanced  
2        Budget Act of 1997.

3            (2) ADJUSTMENTS.—Proper adjustments shall  
4        be made in amounts subsequently transferred to the  
5        Fund to the extent prior estimates were in excess of  
6        or were less than the reductions in expenditures de-  
7        scribed in paragraph (1).

8        (c) OBLIGATIONS FROM FUND.—

9            (1) IN GENERAL.—Subject to the provisions of  
10       paragraph (4), with respect to the amounts made  
11       available in the Fund in a fiscal year, the Secretary  
12       of Health and Human Services shall distribute—

13            (A) 2 percent of such amounts during any  
14       fiscal year to the Office of the Director of the  
15       National Institutes of Health to be allocated at  
16       the Director's discretion for—

17            (i) carrying out the responsibilities of  
18       the Office of the Director, including the  
19       Office of Research on Women's Health and  
20       the Office of Research on Minority Health,  
21       the Office of Alternative Medicine, the Of-  
22       fice of Rare Disease Research, the Office  
23       of Behavioral and Social Sciences Research  
24       (for use for efforts to reduce tobacco use),

1           the Office of Dietary Supplements, and the  
2           Office for Disease Prevention; and

3                   (ii) construction and acquisition of  
4           equipment for or facilities of or used by  
5           the National Institutes of Health;

6           (B) 2 percent of such amounts for transfer  
7           to the National Center for Research Resources  
8           to carry out section 1502 of the National Insti-  
9           tutes of Health Revitalization Act of 1993 con-  
10          cerning Biomedical and Behavioral Research  
11          Facilities;

12           (C) 1 percent of such amounts during any  
13          fiscal year to carry out section 301 and part D  
14          of title IV of the Public Health Service Act with  
15          respect to health information communications;  
16          and

17           (D) the remainder of such amounts during  
18          any fiscal year to member institutes and cen-  
19          ters, including the Office of AIDS Research, of  
20          the National Institutes of Health in the same  
21          proportion to the total amount received under  
22          this section, as the amount of annual appro-  
23          priations under appropriations Acts for each  
24          member institute and Centers for the fiscal year  
25          bears to the total amount of appropriations

1           under appropriations Acts for all member insti-  
2           tutes and Centers of the National Institutes of  
3           Health for the fiscal year.

4           (2) PLANS OF ALLOCATION.—The amounts  
5           transferred under paragraph (1)(D) shall be allo-  
6           cated by the Director of the National Institutes of  
7           Health or the various directors of the institutes and  
8           centers, as the case may be, pursuant to allocation  
9           plans developed by the various advisory councils to  
10          such directors, after consultation with such direc-  
11          tors.

12          (3) GRANTS AND CONTRACTS FULLY FUNDED  
13          IN FIRST YEAR.—With respect to any grant or con-  
14          tract funded by amounts distributed under para-  
15          graph (1), the full amount of the total obligation of  
16          such grant or contract shall be funded in the first  
17          year of such grant or contract, and shall remain  
18          available until expended.

19          (4) TRIGGER AND RELEASE OF MONIES AND  
20          PHASE-IN.—

21                 (A) TRIGGER AND RELEASE.—No expendi-  
22                 ture shall be made under paragraph (1) during  
23                 any fiscal year in which the annual amount ap-  
24                 propriated for the National Institutes of Health

1 is less than the amount so appropriated for the  
2 prior fiscal year.

3 (B) ENSURING SAVINGS AND PAY AS YOU  
4 GO PROVISIONS.—The Director of the Congres-  
5 sional Budget Office, in conjunction with the  
6 Secretary of Health and Human Services and  
7 the Secretary of the Treasury, shall verify that  
8 no funds attributable to savings to the medicare  
9 program required by the Balanced Budget Act  
10 of 1997 shall be transferred to the Fund unless  
11 such funds are in excess such required savings.

12 (d) BUDGET TREATMENT OF AMOUNTS IN FUND.—  
13 The amounts in the Fund shall be excluded from, and  
14 shall not be taken into account, for purposes of any budget  
15 enforcement procedure under the Congressional Budget  
16 Act of 1974 or the Balanced Budget and Emergency Defi-  
17 cit Control Act of 1985.